

**Council on Postsecondary Education
November 7, 2005**

**2006-08 Budget Recommendation:
Trust Funds/Incentive Funding Programs**

The staff recommends that the Council request \$40,801,600 in FY 2006-07 and \$19,850,000 in FY 2007-08 for three trust funds and three incentive funding programs. A summary of the recommended increases by trust fund or funding program is provided in the table below.

<i>Trust Fund or Funding Program</i>	<i>FY 2006-07</i>	<i>FY 2007-08</i>
Research Challenge Trust Fund <ul style="list-style-type: none"> • Endowment Match Program (nonrecurring) 	\$12,000,000	\$0
Research Support Funding Program <ul style="list-style-type: none"> • Research Support Program <ul style="list-style-type: none"> ➤ Infrastructure/Initiatives (nonrecurring) ➤ Research Capacity (recurring) 	18,000,000 4,000,000	0 0
Science & Technology Funding Program (recurring)	600,000	250,000
Regional Stewardship Funding Program <ul style="list-style-type: none"> • Regional Stewardship Program (recurring) 	3,000,000	15,000,000
Technology Initiative Trust Fund (recurring)	2,701,600	1,100,000
Postsecondary Workforce Development Trust Fund <ul style="list-style-type: none"> • Workforce Development/Transfer Program <ul style="list-style-type: none"> ➤ Endowment (nonrecurring) ➤ Initiatives/Scholarships (recurring) 	500,000 0	0 3,500,000
Trust Fund Totals		
Recurring Total	10,301,600	19,850,000
Nonrecurring Total	30,500,000	0
Grand Total	\$40,801,600	\$19,850,000

(1) Research Challenge Trust Fund (\$12 million)

The staff recommends that the Council request \$12 million of nonrecurring funds in 2006-07 for the Research Challenge Trust Fund to provide a fourth round of funding for the Endowment Match Program at the research universities.

Endowment Match Program. The Endowment Match Program encourages private investment in public higher education research activities to stimulate business development, generate increases in externally sponsored research, create better jobs and a higher standard of living, and facilitate Kentucky's transition to a knowledge-based economy. The staff recommends that the Council request \$12 million of nonrecurring funds in 2006-07 to fund chairs, professorships, research staffs and infrastructure, and graduate fellowships at the public research universities. State funds will continue to be matched dollar-for-dollar by the institutions. Program funds will be allocated and distributed based on 2006-08 Endowment Match Program Guidelines that will be presented to the Council in January 2006.

(2) Research Support Funding Program (\$22 million)

The staff recommends that the Council request \$18 million of nonrecurring funds and \$4 million of recurring funds in 2006-07 for a new Research Support Funding Program to bolster research faculty and infrastructure at the research universities.

Research Support Program. The primary goals of the Research Support Program are to promote economic development, create high-tech jobs, and raise the average standard of living of Kentucky residents through strategic investments in research faculty, infrastructure, and initiatives at the University of Kentucky and the University of Louisville. The staff recommends that the Council request \$18 million of nonrecurring funds and \$4 million of recurring funds for the program in 2006-07. Program funds will be used to recruit and retain research active faculty, renovate laboratories and upgrade equipment, and undertake disciplinary and interdisciplinary research initiatives, in areas of strategic benefit to the Commonwealth. These funds will support university efforts to generate increases in federal and extramural research and development (R&D) expenditures, foster innovation and commercialization, and stimulate business development. Program funds will be allocated and distributed based on 2006-08 Research Support Program Guidelines that will be presented to the Council in January 2006.

(3) Science and Technology Funding Program (\$850,000)

The staff recommends that the Council request \$600,000 of recurring funds in 2006-07 and an additional \$250,000 of recurring funds in 2007-08 for the Science and Technology Funding Program to support ConnectKentucky and P-16 Joint Engineering programs.

ConnectKentucky. This science and technology company was contracted through the former Office of New Economy, now the Department of Commercialization and Innovation, to foster increased innovation and opportunities for commercialization by creating a database of

postsecondary researchers that links their interests, research projects, and funding agencies. The database encourages collaborative efforts among researchers by helping them to find faculty with similar research interests and increases opportunities for submitting successful research proposals to both federal and private funding agencies. The staff recommends that the Council request \$100,000 of recurring funds in 2006-07 to support the work of ConnectKentucky.

P-16 Joint Engineering Program. Kentucky needs engineers and engineering technologists to improve the economy and create economic development opportunities for the state. Many students do not have access to a rigorous curriculum in middle or high school that prepares them for college-level engineering programs. The P-16 Joint Engineering Program puts into place pre-engineering curricula in select middle and high-schools and a strategic KCTCS transfer framework to ensure that an adequate number of Kentucky high school graduates and transfer students aspire to and are prepared to enroll in Kentucky engineering programs. The staff recommends that the Council request \$500,000 of recurring funds in 2006-07 and an additional \$250,000 of recurring funds in 2007-08 to support this program.

(4) Regional Stewardship Funding Program (\$18 million)

The staff recommends that the Council request \$3 million of recurring funds in 2006-07 and an additional \$15 million of recurring funds in 2007-08 for a new Regional Stewardship Funding Program to support public engagement activities at the comprehensive universities.

Regional Stewardship Program. The main goal of the Regional Stewardship Program is to promote regional or statewide economic development, livable communities, social inclusion, creative governance, and civic participation through public engagement activities initiated by postsecondary institution faculty and staff. To help accomplish this goal, campus administrators are expected to design and implement programs that align institutional priorities, resources, and infrastructure to support their missions as stewards of place, and to create partnerships and undertake engagement activities that address regional and state needs, while specifically targeting the needs of public schools, employers, grant agencies, small businesses, and non-profit organizations. Program funds will be allocated and distributed based on 2006-08 Regional Stewardship Program Guidelines that will be presented to the Council in January 2006.

(5) Technology Initiative Trust Fund (\$3,801,600)

The staff recommends that the Council request \$2,701,600 of recurring funds in 2006-07 and an additional \$1,100,000 of recurring funds in 2007-08 for the Technology Initiative Trust Fund to support the following programs and activities:

Kentucky Postsecondary Education Network. KPEN is an Internet protocol-optimized network specifically designed for postsecondary education requirements and applications. It accommodates high-demand, high-access Internet users and provides an easy mechanism for expansion of network services. In 2003-04, the budget for KPEN was reduced by

\$750,000. These funds were needed, and continue to be needed, to provide a basic level of service for the network. The staff recommends that the Council request \$700,000 of recurring funds in 2006-07 to provide base-level service for public institutions that participate in KPEN.

Education Leadership Redesign Initiative. This initiative will support university and school district efforts to redesign education leadership programs in Kentucky to produce a new generation of school leaders who are able to effectively address issues of curriculum design and delivery, assessment, and administration. The staff recommends that the Council request \$50,000 of recurring funds in 2006-07 and an additional \$100,000 of recurring funds in 2007-08 to support this project. Anticipated benefits include increased curricular coherence and balance of masters' level education leadership programs, development of doctoral programs with stronger research emphases, and enhanced ability to retrain existing principals and superintendents, while also preparing new leaders.

College Access Initiative. In 2000, Kentucky implemented a statewide "Go Higher Kentucky" communications campaign with excellent results. The number of students enrolling in public postsecondary and adult education programs in Kentucky reached record highs, as did the number of individuals who earned a GED. Despite these successes, many Kentuckians still do not see the benefits of a college education, they significantly overestimate the cost of going to college, and often they lack necessary information about how to prepare academically and financially for college. The staff recommends that the Council request \$1 million of recurring funds in 2006-07 to fund phase two of the public communications campaign. The main goals of this initiative are to increase the educational attainment and income levels of the state's citizens to the national average by 2020.

Faculty Development Program. This program provides a means to bring faculty together to find innovative ways to improve quality of instruction, including the promotion of distance learning. Reductions in program funding over the past several years have adversely impacted the Council's ability to maintain the pace of reform efforts. Of particular concern are delays in key initiatives, such as general education curriculum redesign and collaborative public health activities. Replacement of the funds will enable the Council to increase the effectiveness of these efforts, including providing support for issues of accessibility for learners with disabilities, awareness and utilization of Internet 2, and increasing efforts to engage and support stewardship of place initiatives. The staff recommends \$51,600 of recurring funds in 2006-07 for this program.

College-Level Learning Assessment Project. The staff recommends that the Council request \$1 million of recurring funds in 2007-08 to support Kentucky's participation in the National Center for Public Policy in Higher Education's *Measuring Up 2008 Learning Grade*. Participation requires statewide student level testing and national standardized test score data collection. This request includes provisions for logistics support, student incentives for participating in intensive testing, and follow-up analysis by the National Center for Higher Education Management Studies. Additionally, a portion of the funds will be directed to the dissemination of findings and the development of strategies for improving student learning.

Public Health Initiative. This project supports a collaborative effort among the Public Health Advisory Committee (composed of deans from four Kentucky postsecondary institutions offering graduate programs in public health), the Commissioner for Public Health, and the Council on Postsecondary Education to implement the Strategic Plan for Public Health Education and Research (approved by the Council in July 2004). The staff recommends that the Council request \$500,000 of recurring funds in 2006-07 to support curricula development tailored to the needs of the current public health workforce and expand online access to public health courses and degrees by students and public health workers. Benefits of this program include a highly trained public health workforce, researchers with increased access to external funding, and a healthy population.

Academic Innovation and Collaboration Grants Program. Across the nation, postsecondary enrollment increases and competition for General Fund resources are driving campus officials to seek collaborative approaches for developing new, more efficient ways to deliver academic programs. If Kentucky's postsecondary system is to fulfill its commitment to create a workforce that supports a knowledge-based economy, it must partner with public- and private-sector organizations to develop academic programs that serve the needs of business and industry and are accessible to those who need them. The Academic Innovation and Collaboration Grants Program will encourage proposals designed to stimulate partnerships among postsecondary institutions, and public- and private-sector organizations to develop academic programs that address current and projected workforce needs. The program will also entertain proposals that increase the capacity of high demand programs through development of nontraditional delivery approaches which incorporate competency-based assessment and course redesign principles. The staff recommends that the Council request \$400,000 of recurring funds in 2006-07 to support this program.

(6) Postsecondary Workforce Development Trust Fund (\$4 million)

The staff recommends that the Council request \$500,000 of nonrecurring funds in 2006-07 and \$3.5 million of recurring funds in 2007-08 to support a new Workforce Development/Transfer Program housed in the Postsecondary Workforce Development Trust Fund.

Workforce Development/Transfer Program. The principal aims of this program are to encourage private support of public postsecondary workforce development and transfer initiatives, to support the transfer of baccalaureate degree-seeking, KCTCS associate degree completers to Kentucky public and independent colleges, and to bolster KCTCS workforce development and transfer programs in areas of strategic benefit to the Commonwealth. Program funds will be allocated and distributed based on 2006-08 Workforce Development/Transfer Program Guidelines that will be presented to the Council in January 2006.